

# FY 2004 Bush Budget

## *Shortchanging Education Reform*

February 3, 2003

### Major Elements of the President's Budget

- **The Bush budget proposes a 2<sup>nd</sup> year of historically low federal investments in education.** President Bush proposes just a 5.6 % increase (\$2.8 billion) in education funding over his FY 2003 request. This is in contrast to the average increase of 13 percent over the past seven years. The paltry nature of this increase is even more shocking when you consider the amount provided for education in the *FY 2003* Senate Appropriations bill is approximately \$3.5 billion higher. Hidden within this overall increase is the elimination of 45 programs thereby reducing the Federal investment in education by \$1.5 billion. **In addition, much of the Departments increase is designated to make up for a shortfall in the Pell Grant account – meaning that the real increase for education is approximately \$900 million.**
- **The Bush budget cuts afterschool funding by \$400 million.** The Bush budget eliminates \$400 million in afterschool funding – approximately a 40 percent cut compared to FY 2002 Appropriations and his own FY 2003 Budget. This cut would deny afterschool programs to over half a million disadvantaged children.
- **The Bush budget block grants and cuts vocational education funding.** The Bush Budget would cut \$300 million – approximately a 23 percent cut – from vocational education programs. In addition, the budget proposes to turn this program into a block grant to states, eliminating accountability and targeting of resources to disadvantaged students and programs.
- **Spending Focus is on Private School Vouchers while Budget Shortchanges our Public Schools.** – The Bush budget proposes \$75 million in private school vouchers and billions of dollars in tax credits for the costs associated with transferring from a public to private school (\$3.32 billion over 5 years). These additional expenditures divert resources away funding for reforms of our public schools.
- **The Bush Budget block grants and freezes Head Start funding in real terms, moves program to Department of Education.** The Bush Budget would gut the comprehensive health, education, and nutrition services provided to disadvantaged children in the Head Start program by turning it into a block grant to the Governors and moving the program to the Department of Education. In addition, the budget provides only a 2 percent increase for Head Start programs, not providing any additional resources once you account for inflation. This freeze will hamstring program efforts to hire and retain highly qualified Head Start teachers. Lastly, the Bush budget freezes funding for the Child Care Development Block Grant at a time when quality child care is becoming a larger share of family budgets.

- These paltry increases in education come as part of the same budget, which proposes further tax cuts totaling \$674 billion that benefit only the wealthiest of Americans.

### **Failure to Ensure Adequate Investments**

**Shortchanging Bipartisan Education Reform.** The Bush Budget would again fail to provide the promised resources for the No Child Left Behind Act (NCLB), bipartisan K-12 education reform legislation signed into law only one year ago. The Budget falls \$9.7 billion short of the funding commitment made in NCLB to K-12 education and is over \$5 billion short of level provided in the Senate Appropriations bill for *FY 2003*.

#### **Failing to Fulfill Promised Education Funding for Disadvantaged Children**

	FY 2002	FY 2003	FY 2004
NCLB Level	\$26.3 billion	\$29.343 billion	\$32.380 billion
Enacted Appropriations/Presidential Request	\$22.245 billion	\$22.155 billion	\$22.661 billion
<b>Shortfall – President’s request vs. NCLB</b>	<b>- \$4.055 billion</b>	<b>- \$7.188 billion</b>	<b>- \$9.719 billion</b>

**2<sup>nd</sup> Year of Historically Low Education Increases.** President Bush proposes just a 5.6% increase in education (\$2.8 billion) in contrast to the average increase of 13% over the past 7 years. As States and localities continue to suffer from significant budget shortfalls, inadequate Federal investments will jeopardize education reform focused on improved accountability, teacher quality, and school safety. This paltry increase contrasts with the amount agreed to in the Senate *FY 2003* Appropriations bill of approximately 16%.

#### **The Smallest Increase for Education in 7 Years**

<b>Bush FY 2004 Request</b>	+ \$2.8 billion	+ 5.6 %
<b>Bush FY 2003 Request</b>	+ \$1.4 billion	+ 2.8 %
2002	+ \$6.7 billion	+ 16 %
2001	+ \$6.6 billion	+ 19 %
2000	+ \$2.1 billion	+ 6 %
1999	+ \$3.6 billion	+ 12 %
1998	+ \$3.3 billion	+ 12 %
1997	+ \$3.6 billion	+ 16 %
<b>Historic Average (1997- 2002)</b>	<b>+ \$4.3 billion</b>	<b>+ 13%</b>

## **Terminates Critical Priorities**

The President's Budget would terminate 45 education programs reducing the Federal investment in education by \$1.5 billion. Among the programs terminated are critical priorities such as:

- Comprehensive School Reform – provides assistance to schools to implement whole school reform programs.
- Dropout Prevention Programs – the sole Department of Education funding source targeted toward reducing the dropout rate, among at risk populations.
- Elementary School Counseling - provides resources to support elementary and secondary school counseling programs.
- Regional Education Laboratories – provides technical assistance and research to improve school reform efforts.
- Preparing Tomorrow's Teachers to Use Technology – supports pre-service training of teachers to utilize technology through their instructional techniques.
- Smaller Learning Communities – provides resources to reduce school size, especially in high schools.
- Arts in Education – funds art programs for disabled children.

## **Elementary and Secondary Education**

**Supports Private School Vouchers while Shortchanging Public Schools.** President Bush's budget proposes two private-school voucher initiatives—a \$ 75 million voucher program and a voucher tax credit associated with the costs of transferring from a public to private school. These wrongheaded ideas betray the No Child Behind Act's commitment to improving the education of all children and siphon off critical funds to pay the costs of private school tuition.

**Fails to Meet the Commitments of Bipartisan Education Reform.** Just one year ago, Congress and the President enacted the most important education reform legislation in 30 years – the No Child Left Behind Act (NCLB). NCLB focused on improving quality and accountability for results in exchange for significantly increased resources. Without adequate resources, real reform is not possible. Rather than meeting these bipartisan commitments, the FY 2004 Bush budget further widens the gap between the NCLB's funding promises and the resources being proposed. The Bush Budget:

- **Freezes Teacher Quality.** The Teacher Quality initiative helps states and school districts reduce class sizes and better recruit and train teachers. For the 2<sup>nd</sup> year in a row, the Bush budget freezes Teacher Quality at \$2.85 billion. Once you consider inflation and growing school enrollments, this budget freeze is actually a cut. These cuts over the last 2 years have denied over 35,000 teachers high quality professional development or prevented school districts from hiring over 3,600 teachers to reduce class size. In addition, the Bush budget freezes or eliminates several other professional development programs for teachers
- **Shortchanging Title I of 1/3 of its Funding.** President Bush's FY 2004 budget will provide \$12.3 billion in funding for the Title I program that serves our most disadvantaged children in math and reading. **This level is one third less than the amount the President and Congress agreed to provide in NCLB.** This funding level leaves an additional 2.2 million disadvantaged children without critical education programs.

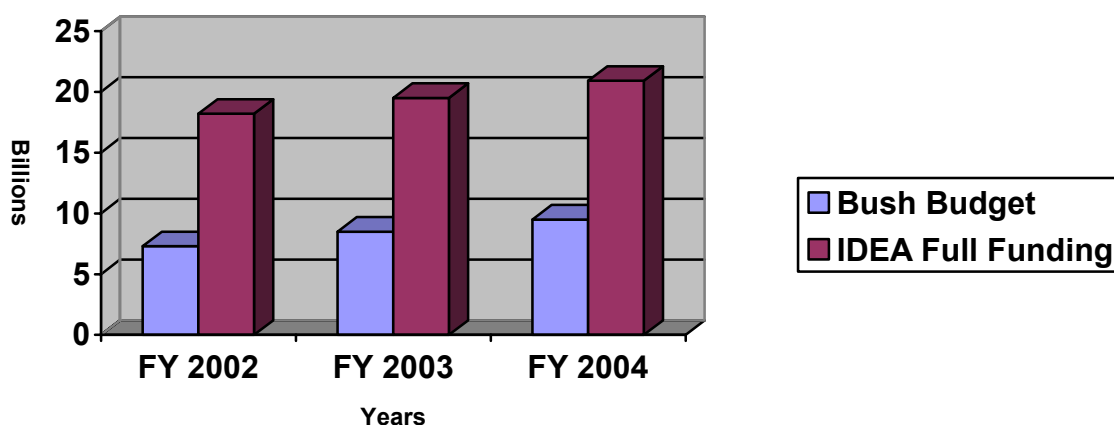
- **Cuts After-School Programs.** The Bush budget irresponsibly cuts the effective and popular 21<sup>st</sup> Century Community Learning Centers Initiative by \$400 million. The 21<sup>st</sup> Century Community Learning Centers program provides safe, healthy places for over 2 million children to learn after school. This cut would deny over half a million children the ability to attend afterschool programs. NCLB calls for \$1.75 billion in funding for this program in FY 2004.
- **Cuts Safe and Drug Free Schools.** The Bush budget cuts the Safe and Drug Free Schools State grant program by \$50 million. This will provide fewer resources to schools as they work to ensure safe learning environments.
- **Freezes Bilingual Education.** The Bush budget freezes Bilingual Education at \$665 million, even though the number of students with limited English proficiency is growing rapidly.
- **Flat Funds Learning Technology.** The Bush budget freezes the federal investment in educational technology. Studies show that technology can substantially raise student achievement.

### Special Education

The Individuals with Disabilities Education Act (IDEA) provides critical resources to educate children with disabilities along with a system of civil rights protections designed to ensure children with disabilities are afforded a high quality education. In 1975, the Federal government committed to providing 40% of the cost of educating children with disabilities. This 40% level is often referred to as “full funding” of IDEA.

Unfortunately, the Bush Budget fails to fully fund special education, reneging on a 28-year promise to children with disabilities. In FY 2002, Congress and the President boosted Special Ed funding by \$1.3 billion, a 19% increase that still leaves the federal commitment to special education deeply underfunded. President Bush requested \$1 billion more in his both his FY 2003 and FY 2004 budgets. However, at this rate of increase the commitment to fully fund special education will never be met. If President Bush hadn’t defeated the bipartisan Harkin-Hagel special education full funding proposal last Congress, schools would receive \$1.8 billion more in special education funding this year than Bush is proposing.

### **Bush Shortchanges Special Education**



## **Higher Education**

**Freezes Growth of Individual Pell Grant.** At a time when retraining and education and even more critical for disadvantaged students, President Bush's FY 2004 budget freezes the amount of the maximum Pell grant at \$4,000. Pell grants for low-income students are the foundation of federal efforts to ensure that all qualified Americans can attend college. The purchasing power of Pell grants is far below its historic level covering 70 percent of tuition and fees for the average student. This means that low-income students will continue to lose ground as college tuition grows at a rate higher than inflation.

**Eliminates State College Scholarships Program.** President Bush eliminates the \$67 million Leveraging Educational Assistance Partnerships initiative, which encourages states to establish college scholarships. By leveraging state dollars, LEAP provided \$171 million to low-income students in FY 2002.

**Freezes or Cuts Other Student Aid Programs.** The Bush budget freezes work-study opportunities, SEOG scholarships for low-income students GEAR UP, TRIO, and cuts funding for Perkins college loans.

**Provides paltry Increase for Historically Black Colleges and Universities.** President Bush proposes only a 5% (or \$11 million) increase for Strengthening Historically Black Colleges and Universities program. In contrast, the last five budgets increased HBCU funding by 12%, 15%, 9%, 28%, and 11%.

**Provides paltry Increase for Hispanic-Serving Institutions.** The Bush budget increases funding for the Developing Hispanic-Serving Institutions program by 5% (or \$4.5 million). The last five budgets increased HSI funding by 11%, 133%, 51%, 62%, and 26%.

**Places Student Aid Program Operations at Risk.** The Bush budget puts stable, adequate administrative funding at risk by making student aid administrative funding subject to annual approval for the first time. This change forces administrative funding to compete against Pell grants and other higher education priorities for resources, and will jeopardize Education's ability to administer the student aid programs—which have a long history of fraud and abuse—safely and soundly.

## **Vocational Education and Adult Education**

Vocational education provides important training and education opportunities to students in high schools and community colleges. The current system supports training and education in cutting edge fields of medicine, technology and others. In addition, Adult Education continues to provide opportunities for adults to increase their literacy and workplace skills. Both vocational and adult education programs continue to play a crucial role in training our American workforce for high paying and rewarding careers.

The Bush Budget loses sight of the important job training and economic benefits of vocational and adult education programs. The Bush Budget:

- **Cuts \$300 million – approximately a 23 percent cut – from vocational education programs and freezes funding for adult education.** These cuts to vocational and adult education come at a time when our country needs increased investments in education and training

- **Turns vocational education into a block grant to states, eliminating accountability and targeting of resources to disadvantaged students and programs.**
- **Proposes that critical vocational education funding be transferred to other Federal education initiatives, diluting resources for the only Federal education program focused on high school reform.**